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# AVAILABLE FINANCIAL ASSISTANCE



## WATER AND WASTEWATER ASSISTANCE

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Department of Local Affairs  
1313 Sherman Street, Room 521  
Denver, Colorado 80203  
303-866-2156  
[www.dola.colorado.gov](http://www.dola.colorado.gov)

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## INTRODUCTION

There are a number of potential sources of funds available to local governments and other community organizations to make needed improvements to water and wastewater systems. This publication details the commonly used sources of funding from the federal and state governments for these needs. For more specific questions related to these sources of funding, please contact the program managers listed at the end of the descriptions of each program, or the Department of Local Affairs Field Representatives listed at the end of the handout.

## **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

CDBG is a state administered, federally-funded program. Grants are provided to "non-entitlement" municipalities and counties for public facilities, economic development, and housing projects which principally benefit low and moderate income (LMI) persons. Districts and private entities (such as nonprofit water companies or homeowners associations) are eligible if sponsored by a municipality or county.

- Eligible activities include, but are not limited to, public facilities improvements, property acquisition and rehabilitation, relocation expenses and business financing. All activities must meet at least one of three national objectives: benefit to low and moderate income persons, prevention or elimination of slum and blight, or address urgent need.
- Ineligible activities include buildings for the general conduct of government, general government expenses, income payments, operating/maintenance, and repairs.

CONTACT: Department of Local Affairs Field Representatives (see last page).

## **ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) PUBLIC WORKS AND DEVELOPMENT FACILITIES PROGRAM**

Federal grants are provided to help distressed communities attract new industry, encourage business expansion, diversify their economies, and generate long-term, private sector jobs. Among the types of projects funded are water and sewer facilities primarily serving industry and commerce; access roads to industrial sites or parks; and business incubator buildings. Proposed projects must be located within an EDA eligible area. Eligibility is based on low per capita income (PCI) or high unemployment. Eligibility can also be based on various measures of special economic need. Projects must be consistent with an approved Comprehensive Economic Development Strategy (CEDS). An applicant may be a state, political subdivision of a state, Indian tribe, special-purpose unit of government, or public or private nonprofit organization. CONTACT: John Zender, EDA (303) 844-4902 or [jzender@eda.doc.gov](mailto:jzender@eda.doc.gov)

## **ENVIRONMENTAL PROTECTION AGENCY (EPA) WETLAND GRANTS PROGRAM**

Federal grants are available to assist wetlands protection efforts by evaluating an area's wetland resources and outlining the processes to be implemented for protection and restoration. Funding is limited to the study phase of projects only. Coordination with other programs encouraged. CONTACT: Kimberly Seymour, Colorado Department of Natural Resources, (303) 866-3311, [kimberly.seymour@state.co.us](mailto:kimberly.seymour@state.co.us).

## **NORTH AMERICAN WETLANDS CONSERVATION FUND**

Federal grants are available to public and non-profit entities for constructed wetlands projects which offer or enhance values in wildlife and fisheries, and improve water supply, water quality, flood control, or erosion protection. Wetland acquisition, enhancements and restoration projects are also be eligible. The program is administered through the Division of Bird Habitat Conservation of the U.S. Fish and Wildlife Service to encourage partnerships to conserve North American wetland ecosystems for waterfowl and other migratory birds and other fish and wildlife that depend upon such habitats. Both a regular grant program and a streamlined small grant program are available with maximums of \$1,000,000 and \$50,000 respectively. CONTACT: David Buie, U.S. Fish and Wildlife Service, (301) 497-5870, [david\\_buie@fws.gov](mailto:david_buie@fws.gov).

## **ENERGY & MINERAL IMPACT ASSISTANCE GRANT/LOAN PROGRAM**

The largest distribution of funds by the State Energy and Mineral Impact Assistance Program occurs in the form of discretionary grants for basic infrastructure and community development projects. Low interest (minimum 5%) loans are available for domestic treated water and sewer projects only. By statute, funds can only be distributed to political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels. CONTACT: Department of Local Affairs Field Representatives (see last page).

## **USDA RURAL DEVELOPMENT (RD)**

Rural Development awards grants and loans to rural communities under 10,000 population for construction and replacement of water, wastewater, storm sewer and solid waste facilities. Communities can receive a loan and grant combination, with percentages based median incomes, health hazard elimination and annual debt service charges. The agency can assist public, non-profit entities, Indian Tribes, and homeowner associations with financing, provided no other credit is available, at reasonable rates and terms. Funds may be used for construction, engineering, interest during construction, essential equipment, site acquisition, legal fees, water rights, etc. CONTACT: Mike Bailey, Business and Community Programs Director, Rural Development, (720) 544-2928, [mike.bailey@co.usda.gov](mailto:mike.bailey@co.usda.gov).

## **WATER POLLUTION CONTROL REVOLVING FUND (WPCRF)**

The WPCRF is a low-interest loan program for funding local governments whose projects will correct water quality problems or qualify as eligible pollution control programs. Created by the State Legislature in 1988, the WPCRF replaced the Federal Construction Grant Program. Between the program's inception and December 2002, the U.S. Environmental Protection Agency has provided \$159.8 million in capitalization grants which must be matched with an additional 20% from the state. These funds, along with a fairly aggressive leveraging program, have allowed the fund to make in excess of \$496 million in loans. The fund can cover up to 100% of the eligible project costs with terms of up to 20 years. The Disadvantaged Community Program was established in 2006, offering eligible communities loans from the DWRF with reduced interest rates. The fund is jointly administered by the Colorado Division of Local Government (DLG), the Water Quality Control Division (WQCD), and the Colorado Water Resources and Power Development Authority (CWRPDA). CONTACTS: DLG, Barry Cress, (303) 866-2352, [barry.cress@state.co.us](mailto:barry.cress@state.co.us); WQCD, Donna Davis, (303) 692-3562, [donna.davis@state.co.us](mailto:donna.davis@state.co.us); CWRPDA, Mike Brod, (303) 830-1550 x15 [mbrod@cwrpda.com](mailto:mbrod@cwrpda.com).

## **DRINKING WATER REVOLVING FUND (DWRF)**

The Drinking Water Revolving Fund is a low-interest loan program which was initially created in 1995 and funded by the state and the Water Resources and Power Development Authority. In 1997 it was further capitalized with federal dollars to fund eligible projects defined by the federal Safe Drinking Water Act. Local governments (municipalities, counties, and special districts) are eligible for funding. Between the program's inception and December 2001, the U.S. Environmental Protection Agency has provided \$77.3 million in capitalization grants which must be matched with an additional 20% from the state. These funds have allowed the program to make approximately \$165.7 million in financing available to Colorado drinking water system projects. The Disadvantaged Community Program was established in 2004, offering eligible communities loans from the DWRF with reduced interest rates. Like the WPCRF, the fund is jointly administered by the Colorado Division of Local Government (DLG), the Water Quality Control Division (WQCD), and the Colorado Water Resources and Power Development Authority (CWRPDA). CONTACTS: DLG, Barry Cress, (303) 866-2352, [barry.cress@state.co.us](mailto:barry.cress@state.co.us); WQCD, Donna Davis, (303) 692-3562, [donna.davis@state.co.us](mailto:donna.davis@state.co.us); CWRPDA, Mike Brod, (303) 830-1550 x15, [mbrod@cwrpda.com](mailto:mbrod@cwrpda.com).

## **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY SMALL WATER RESOURCES PROJECTS PROGRAM**

The Colorado Water Resources and Power Development Authority was created by the General Assembly to provide Colorado with a mechanism to finance water and wastewater projects. The Authority can assist governmental entities such as cities, towns and districts by issuing revenue bonds and loaning the proceeds to the governmental entity with substantial savings in costs of issuance and interest rates. Eligible projects include: storage reservoirs, water and wastewater treatment plants, distribution systems, water wells and pumping stations. Construction costs include design, engineering, costs of issuance, financing reserves, interest during construction, site acquisition, planning, environmental documentation, water rights, and mitigation costs. CONTACT: Mike Brod, (303) 830-1550, x15, [mbrod@cwrpda.com](mailto:mbrod@cwrpda.com).

## **DWRF/WPCRF PLANNING AND/OR DESIGN GRANT**

Planning and Design Grants are available to assist communities with populations under 10,000 who are considering a project on the eligibility list for either the Drinking Water Revolving Fund (DWRF) or the Water Pollution Control Revolving Fund (WPCRF) program. To qualify, the entity must have a Median Household

Income (MHI) less than the most recent MHI generated by the Census, or post-project water/sewer monthly rates equal to or greater than the state average as determined by the Department of Local Affairs. Both the DWRP and WPCRFP programs have for 2002, \$100,000 in grants available and a maximum grant amount per recipient of \$10,000 with no match required. Grants are available on a first-come, first-served basis. CONTACTS: Donna Davis, Water Quality Control Division, (303) 692-3562, [donna.davis@state.co.us](mailto:donna.davis@state.co.us); Keith McLaughlin, Colorado Water Resources and Power Development Authority, (303) 830-1550, x22, [kmclaughlin@cwprda.com](mailto:kmclaughlin@cwprda.com).

## **CWCB WATER EFFICIENCY GRANT PROGRAM**

The Colorado General Assembly under House Bill 05-1254, created a mechanism for the Colorado Water Conservation Board (CWCB) through its Office of Water Conservation and Drought Planning to provide financial assistance to covered entities and qualifying agencies in the State of Colorado that are seeking to perform or promote more meaningful water conservation. The specific use of the grant monies are as follows: for covered entities, the money may be used to aid in achieving water conservation goals specified in their water conservation plans; for public and private agencies, whose primary purpose is to promote the benefits of water resource conservation, the money may be used to provide education and outreach aimed at demonstrating the benefits of water efficiency. Applications will be accepted throughout the year with awards made to eligible and qualified organizations that meet the requirements of the grant program. Grant guidelines are provided on the CWCB website [www.cwcb.state.co.us](http://www.cwcb.state.co.us). CONTACT: Tammie Petrone, Grants Coordinator, (303) 866-3590 or [tammie.petrone@state.co.us](mailto:tammie.petrone@state.co.us)

## **CWCB WATER CONSERVATION & DROUGHT MITIGATION PLANNING GRANT PROGRAM (HB 04-1365)**

The Colorado General Assembly under House Bill 04-1365, created a mechanism for the Colorado Water Conservation Board (CWCB) to provide financial assistance to covered entities in the State of Colorado to develop water conservation plans that meet the provisions of §37-60-126 (6) C.R.S. Financial assistance was also provided for covered entities and state and local governmental entities to develop drought mitigation plans identified as sufficient by the Office. Throughout Colorado there are dozens of entities that sell more than 2,000 acre-feet of water annually, on a retail basis, for domestic, commercial, industrial or public facility use. These covered entities are eligible to receive grant monies from the CWCB to develop water conservation or drought mitigation plans that ultimately will lead to more meaningful water conservation and supply planning at the local level. Grant guidelines and a model plan template are provided on the CWCB website [www.cwcb.state.co.us](http://www.cwcb.state.co.us). CONTACT: Tammie Petrone, Grants Coordinator, (303) 866-3590 or [tammie.petrone@state.co.us](mailto:tammie.petrone@state.co.us)

## **COLORADO WATER CONSERVATION BOARD (CWCB) WATER PROJECT LOAN PROGRAM**

The Water Project Loan Program was established in 1971 to provide low interest loans for RAW WATER resource projects. Eligible borrowers have received over \$400 million in loans for planning, engineering and construction from the CWCB. Eligible projects involve the collection, storage and transmission of raw water supplies. Examples include new or the rehabilitation of: reservoirs, ditches/canals, pipelines, groundwater wells, water rights purchases, and flood control facilities. A loan feasibility study is required, which must include preliminary engineering by a professional engineer to help select the best alternative and determine project costs. Thirty year loan interest rates range from 3.25% to 4.25% for municipal borrowers, and 2.5% for agricultural borrowers. There is a 1% loan service charge that can be financed into the loan. Loans are available for up to 90% of the total project cost. Applications for loans less than \$5 million are accepted throughout the year, and are approved at the bi-monthly CWCB meetings (allow five months for loan approval and loan contracting). Loan requests in excess of \$5 million are due August 31 and are considered once a year at the November CWCB meeting, with funds available the following July (if authorized by State Legislature and with executed loan contract). CONTACTS: Kirk Russell, CWCB, (303) 866-3449, [kirk.russell@state.co.us](mailto:kirk.russell@state.co.us) or Bruce Johnson, CWCB, (303) 866-3428, [bruce.johnson@state.co.us](mailto:bruce.johnson@state.co.us).

## **PRIVATE ACTIVITY BONDS (PAB)**

Tax-exempt private activity bond allocations are available to municipalities and counties as well as issuing authorities. These entities can in turn issue bonds or other obligations to private entities with interest exempt from federal income taxation. Privately owned water, sewer, and certain waste disposal facilities are eligible for this funding. Local governments with populations greater than 27,000 receive a direct allocation. Local governments which do not receive a direct allocation may receive an allocation from the statewide balance. The statewide balance can be accessed through application to the Department of Local Affairs. CONTACT: Elizabeth Smith, Colorado Division of Housing, (303) 866-5577, [elizabeth.smith@state.co.us](mailto:elizabeth.smith@state.co.us).

# FINANCIAL ASSISTANCE FOR WATER AND WASTEWATER PROJECTS

## GRANT PROGRAMS

PROGRAM	ELIGIBLE PROJECTS	TERMS	ELIGIBLE RECIPIENTS	MAXIMUM AMOUNT	SPECIAL REQUIREMENTS	APPLICATION DEADLINE
<b>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)</b>	Water and wastewater	Grants only	CDBG non-entitlement municipality or county; districts and private systems are eligible sub-recipients	\$500,000 (guideline)	- Local cash participation - Low/mod income - Davis-Bacon wages - NEPA <sup>1</sup>	Varies - contact DOLA field staff
<b>U.S. ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)</b>	Water and wastewater	Grants only	Governmental units and non-profit organizations	No limit (subject to federal appropriation)	Must be in economically distressed areas & tied to permanent private sector jobs and investments.	Ongoing
<b>EPA WETLAND GRANTS PROGRAM 104(b)(3)</b>	Funding for studies only - no construction	Grants only	State and local governments, non-profits, tribes	Approximately \$1,000,000 appropriation for EPA Region VIII	- 25% non-federal match - Coordination with other programs encouraged	First week in December
<b>NORTH AMERICAN WETLANDS CONSERVATION FUND</b>	Funding for long-term plans which conserve wetlands and wetlands-dependent fish and wildlife - includes constructed wetlands	Grants only	Local governments, non-profits, tribes, for-profits, and private individuals	\$500,000 and \$1 million	- 50% non-federal match - Approval by Migratory Bird Conservation Commission - Appropriate public access to completed project site - Partnerships encouraged	Early March and late July
<b>DWRF and WPCRF<sup>2</sup> PLANNING AND/OR DESIGN GRANT</b>	Project must be on either the Drinking Water Revolving Fund (DWRF) or the Water Pollution Control Revolving Fund (WPCRF) Eligibility List	Grants only	Entities with populations <10,000; MHI less than state average; post-project water/sewer monthly rates equal to or greater than state average.	\$10,000	- Currently required to borrow project's construction funds from the CWR&PDA unless waiver is received from Authority's Board of Directors	First-come, first-served
<b>CWCB WATER CONSERVATION &amp; DROUGHT MITIGATION PLANNING GRANT PROGRAM</b>	Water Conservation Planning; Drought Mitigation Planning	Grants only	Any private or other publicly owned utility that provides at retail two thousand acre-feet of water or more annually. Monies for drought planning are available to state and local governmental entities.	No limit, as long as funding is available	Water conservation plans must meet the requirements of §37-60-126 (6) C.R.S. Grant applications must meet applicable criteria outlined in CWCB Guidelines. Grants under \$50K can be approved by staff. Grants over \$50K need CWCB Board approval.	July 1 <sup>st</sup> – Feb 1 <sup>st</sup> .
<b>CWCB WATER EFFICIENCY GRANT PROGRAM</b>	To aid in achieving goals in Water Conservation Plans. To promote the benefits of water resource conservation for education and outreach aimed at demonstrating the benefits of water efficiency.	Grants only	Covered entities that have a current or future total annual demand of two thousand acre-feet or more. Public or private agencies whose primary purpose is to promote the benefits of water conservation.	No limit, as long as funding is available	Grant applications must meet applicable criteria outlined in CWCB Guidelines. Grants under \$50K can be approved by staff. Grants over \$50K need Board approval.	Applications can be submitted at anytime during the year but must be received by the 1 <sup>st</sup> of the month prior to a Board meeting.



## GRANT AND LOAN PROGRAMS

PROGRAM	ELIGIBLE PROJECTS	TERMS	ELIGIBLE RECIPIENTS	MAXIMUM AMOUNT	SPECIAL REQUIREMENTS	APPLICATION DEADLINE
<b>ENERGY &amp; MINERAL IMPACT ASSISTANCE FUND</b>	Water and wastewater	Loan terms up to 20 years, and interest rates of at least 5%	Municipality, County, or Special District	Guideline of \$500,000 maximum grant, up to \$1,000,000 grant/loan. The program recognizes unique impacts in the energy and mineral producing areas of the state, and larger awards are considered for these areas when appropriate.	- Local cash participation - Energy/mineral industry impacts	April 1 <sup>st</sup> August 1 <sup>st</sup> December 1st
<b>RURAL DEVELOPMENT (U.S. DEPARTMENT OF AGRICULTURE)</b>	Water, wastewater & stormwater projects	- Loans and grants based upon income and health hazards - Three levels of interest rate available, depending upon need - Terms up to 40 years or useful life of project	Municipality, County, Special Districts, or Non-profits	Subject to federal appropriation	- Must be unable to get credit from other sources - NEPA <sup>1</sup>	Ongoing

## LOAN PROGRAMS

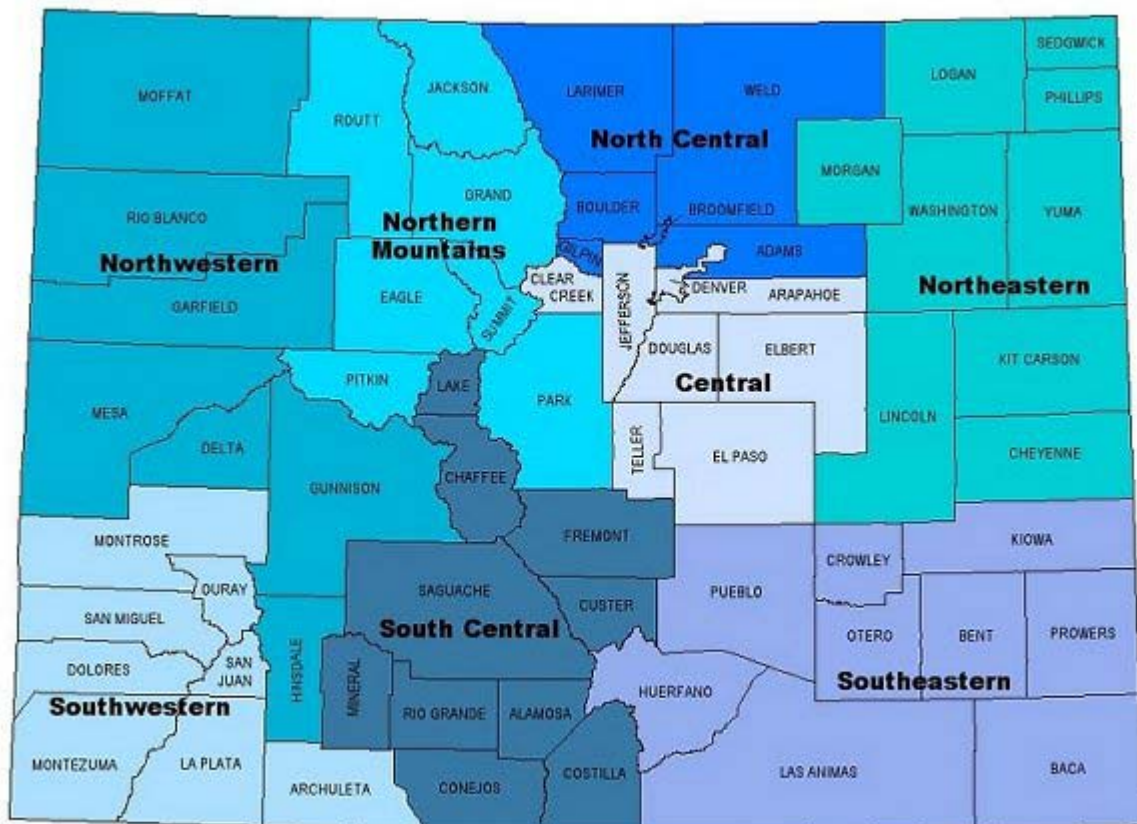
PROGRAM	ELIGIBLE PROJECTS	TERMS	ELIGIBLE RECIPIENTS	MAXIMUM AMOUNT	SPECIAL REQUIREMENTS	APPLICATION DEADLINE
<b>WATER POLLUTION CONTROL REVOLVING FUND (WPCRF)</b>	Wastewater, nonpoint source pollution, and stormwater projects	- Interest on leveraged loans targeted at 80% of bond rate - Direct loans at 3.75% - 20 year maximum	Municipalities, counties, special districts and political subdivisions	- No limit for leveraged loans - \$2,000,000 for direct loans	- WQCC <sup>3</sup> eligibility list - 208 management plan - facility plan w/env. assessment	Ongoing
<b>DRINKING WATER REVOLVING FUND (DWRP)</b>	Water supply projects emphasizing health hazards and compliance standards	-Interest on leveraged loans at 80% of bond rate - Direct loans at 3.75% - 20 year maximum - Disadvantaged Community Program: interest 50% of direct loan rate for MHI 61% to 80% of state MHI; 0% rate for MHI at 60% or below of state MHI. 30 year maximum	-Municipalities, counties, special districts and political subdivisions - Disadvantaged Community Program: municipalities, counties, special district and political subdivisions with population 5,000 or less	- \$15,000,000 limit for leveraged loans - \$2,000,000 for direct loans - \$2,000,000 for Disadvantaged Community Program	- BOH <sup>4</sup> eligibility list - facility plan w/environmental assessment	Ongoing
<b>CWR&amp;PDA<sup>2</sup> SMALL WATER RESOURCES PROJECTS PROGRAM</b>	Water and wastewater	Market rates Up to 30 years	Municipalities, counties, special districts and political subdivisions	\$100,000,000 (\$300,000 minimum)	- Board approval - Raw water storage and diversion projects need CWCB review	Ongoing
<b>COLORADO WATER CONSERVATION BOARD (CWCB)</b>  <b>WATER PROJECT LOAN PROGRAM</b>	Raw water projects (dams, pipelines, ditches, wells, new projects or rehabilitation).	Loans for up to 80% of project costs. Repayment periods up to 30 years. Average rates: Agricultural: 2.5% Municipal: 3.25 - 4.25% Commercial: 5.25% 1% Loan Service Charge	Any organization (Small municipalities, agricultural ditch companies, home owner associations, special districts) See CRS 37-60-121	- Limited to fund availability.  - Loans typically range from \$100,000 to \$10,000,000	- Loans under \$5,000,000 are regularly approved at regularly scheduled CWCB meetings - Loans over \$5,000,000 must be approved by the state legislature	- Ongoing under \$5 million  - Over \$5 million August 31 deadline for following year funding
<b>PRIVATE ACTIVITY BONDS (PAB)</b>	Water, sewer, solid & hazardous waste projects	Variable - depending upon bond market rates	Local governments	Bond counsel determines eligible cost	- Community support - Repayment ability - Local economic benefit	Around January 18 annually, or August 30th if allocation still available

<sup>1</sup> National Environmental Policy Act compliance required

<sup>2</sup> Colorado Water Resources and Power Development Authority

<sup>3</sup> Water Quality Control Commission

<sup>4</sup> Colorado Board of Health



#### **NORTHEASTERN**

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#### **NORTHERN MOUNTAINS**

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